http://www.news.com/

'Second Life' membership now free

By Daniel Terdiman http://news.com/second+Life+membership+now+free/2100-1043_3-5855481.html

Story last modified Fri Sep 09 08:58:00 PDT 2005

Linden Lab, maker of the popular virtual world "Second Life," is making membership to its metaverse free.

The company said that because free membership will likely prompt a significant number of people to join Second Life, revenue from virtual land the new members buy will probably make up for the loss of subscription fees.

"We're going to make more because some of the people who wouldn't have otherwise signed up are going to buy land," Linden Lab CEO Philip Rosedale said this week.

Previously, Linden Lab charged a one-time \$10 fee for membership.

Rosedale said the company hopes a lot of new members will buy Linden Dollars, the online game's inworld currency, which ultimately ends up in the hands of members who create vehicles, buildings, clothing and other virtual goods. Some of that money, in turn, would then be spent on land, further bolstering Linden Lab's bottom line.

"Second Life" is a completely open-ended virtual world in which members can create nearly anything they can imagine and have the 3D modeling skills to build. Anything they create in-world can be sold, often for significant amounts of money.

The company said there are more than \$18 million worth of virtual "Second Life" goods sold each year.

Currently, Rosedale said, "Second Life" has 45,000 members and is growing at about 10 percent a month. There are now more than 16,000 acres of owned land in the virtual world, and new land sells for about \$129. Users must pay a fee of about \$25 a month to maintain their land. Thus, Linden Lab is earning about \$400,000 a month without ever factoring in membership fees.

Copyright ©1995-2007 CNET Networks, Inc. All rights reserved.

EXHIBIT

Separate Sep

1/23/2007